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Horizontal Federalism: Exploring Interstate Interactions

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ABSTRACT

States interact with each other in ways that have consequences for the American federal system. The focus of this article is interstate cooperation—multistate efforts to pursue shared agendas or solve common problems. Three mechanisms are examined: interstate compacts, multistate legal actions, and uniform state laws. The data show that during the 1990s, states engaged in all of these behaviors but at differing rates. Furthermore, the explanations for interstate cooperation vary. Government capability proved to be an important explanation but in opposite ways: more capable states join multistate legal actions, and less capable states adopt uniform state laws. The implications for the federal system are considerable: effective interstate cooperation may offer an alternative to federal legislation. For state officials, the implications are equally significant: interstate cooperation spawns administrative networks that fall outside traditional structures.

The study of intergovernmental relations is typically vertical, that is, the relationship of a government at one level with governments at another level: the national government with the states or the states with their local governments. But intergovernmental relations can be horizontal as well. State governments in the United States interact with each other regularly (and similarly, local governments work with other local governments). As a result of these interactions, a complex network of relationships develops horizontally, linking actors, institutions, and organizations across state boundaries. These relationships are increasingly formalized, as illustrated by the Delaware River Basin Commission's employment of technical and administrative staff to manage the intricacies of a four-state agreement (Featherstone 2001).

This research explores contemporary interstate relations, focusing primarily on cooperation across states. After discussing the vertical state–nation relationship in the next section, the article turns to the horizontal, or state-to-state, dimension. Three different mechanisms for interstate cooperation are examined: interstate compacts, multistate legal actions, and uniform laws. Notably, different administrative arrangements are associated with these various cooperative actions. Data on the prevalence and patterns of interstate cooperation are presented, followed by a multivariate explanatory test. A discussion of the implications of interstate cooperation concludes the article.

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STATES WITHIN THE FEDERAL SYSTEM

In the United States, the line separating the domains of the national and state governments is not clearly drawn; therefore, since the founding of the nation, the extent of state autonomy has been the subject of considerable debate. Over time, the balance of power has tilted firmly in the direction of the national government. But the growth of national power has not been a monotonic process, as centrifugal forces have, on occasion, slowed the pace of centralization (Bowman and Krause 2003). Still, regardless of the power imbalance, states remain constitutionally legitimated polities, imbued with sovereignty.

Each state stands on equal legal footing with every other state, enjoying the same legal relationship with the national government regardless of location, size, date of admission to the union, and so on. In other words, states have de jure symmetry (Watts 1999). However, de facto asymmetries exist among states such that their relative influence within the federal structure varies (Berch 1992; Watts 1999). These asymmetries matter because in a federal system, each constituent state pursues its self-interest and, in doing so, collides with other states bent on their self-interests. Thus the U.S. Constitution establishes some basic rules for state-to-state conduct in an effort to produce a smoothly functioning federal system, one in which state-to-state issues can be accommodated and conflict can be minimized.

Unlike the case in some federal systems, American states do not need the approval of the national government to establish connections with other states. States are fully eligible to and capable of creating these interstate linkages. This opens the door for an extensive set of arrangements that needs to be administered. Interstate relationships require administrators to work across boundaries, in this case, state borders. These horizontal connections increase the opportunities for cross-jurisdictional collaborative management (Agranoff and McGuire 2003).

INTERSTATE COOPERATION

Theories of horizontal federalism take interstate competition as their starting point (Dye 1990; Kenyon and Kincaid 1991; Kincaid 1991; McKinnon and Nechyba 1997). States compete with each other when they seek the same scarce objective; thus the outcome of competitive interaction tends to be zero-sum. The outcome for the federal system as a whole, however, may be efficient and optimal. In mediated competition, external actors such as government institutions determine winners and losers, as is the case with federal grant funding (Kincaid 1991). Unmediated competition occurs in "open market" situations, for example, states seeking tourists or firms, in which there is no government institution to select winners.

Interstate competition does not exhaust the possible range of interactions among states.[1] Cooperation, perhaps best thought of as the antithesis of rivalrous competition, is a plausible state-to-state behavior in a federal system. States often share common problems or wish to pursue a common agenda and, therefore, build alliances and networks with other states. Thus cooperative behaviors typically involve states working together toward a common end such as the joint pursuit of a particular objective. When states act as allies rather than rivals, multistate administrative structures are usually created. For instance, the

1 The possibility of noninteraction exists as well, that is, a state may choose not to join other states in a lawsuit against the federal government or not to enter the competition for a relocating firm.

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governors of Georgia, North Carolina, and Tennessee signed the "Southern Air Principles" in 2001, which directed their states' environmental agencies to work together to develop a regional plan to address air pollution problems in the southern Appalachian Mountains (Henderson 2001). After Maine, New Hampshire, and Vermont created the first coalition in 2001 for prescription drug purchasing, other subsets of states have followed suit, creating a host of new administrative agreements. The Streamlined State Sales Tax project is perhaps the most ambitious of current joint state initiatives. As of spring 2003, thirty-eight states were participating, that is, lending staff and providing in-kind resources and funding, in the effort to design a simplified state sales tax system.

Unlike zero-sum competitive behaviors, these are "win–win" endeavors for the cooperating states. Occasionally, unbridled competition may actually spawn interstate cooperation, as "losing" states decide that collective action is a preferable approach, one that holds greater promise of success. For example, in 1989, five states that had competed aggressively with each other to attract new firms created the Pacific Northwest Economic Region, a multistate, cooperative effort aimed at attracting investment to the region.

Cooperation takes many forms, including interstate compacts, joint multistate legal action, and optional enactment of uniform laws (Florestano 1994; Nice 1984). These three cooperative behaviors vary in the level of interstate engagement that is required. The first type, an interstate compact, is the most comprehensive. It results from repeated interactions among participating states and typically signifies a future of sustained interstate involvement. As noted earlier, the compact leads to the creation of administrative structures with management responsibilities—some even possess regulatory authority. Multistate legal action, the second type, is somewhat different in that a state's involvement seldom presages a long-term administrative commitment. Most of the staff work occurs in the early stages and is handled by the initiating state. The third type of cooperative action gets at conformity across states (Nice 1984). By conforming its law to that of a peer-established norm, a state is participating in a cooperative venture. The task of implementing the uniform law falls to individual states; thus interstate administrative connections, primarily information sharing, are minimal. These three forms of cooperation, discussed in more detail below, convey varying implications for multistate administrative networks.

Interstate Compacts

Interstate compacts—formal agreements or contracts between two or more states—are traditional mechanisms for cooperation among states. Compacts allow a set of states to pursue a common agenda or deal with a problem that affects them jointly (Voit and Nitting 1999). Once approved by the participating states (and in many instances by Congress), compacts are legally binding. Other than boundary compacts, which resolve bilateral disputes over territory, compacts increasingly have administrative, financial, substantive, and technical dimensions (Zimmerman 1996). Because compacts require the approval of the member states' legislatures, the compact negotiation and ratification process can bog down in intrastate politics. This helps explain the growing enthusiasm for informal administrative agreements, which are easier to adopt and implement. Of the 192 interstate compacts in existence in 1998, thirty-eight had been ratified only by one state and, thus, were not in effect. Once a state ratifies a compact, its provisions have legal superiority, that is, they take precedence over conflicting state laws. The compact itself sets up the rules for state compliance with and withdrawal from the compact as well as amendments to and termination of it.

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Multistate Legal Action

Another means of interstate cooperation is the willingness of states to enter into lawsuits with—not against—other states. In many ways, it is a classic "strength in numbers" situation. One state taking legal action against a firm may not generate much reaction, but a group of states acting collectively presents more of a threat. More fundamentally, it offers a means by which states can assert and protect their role in the federal system. Two high-profile examples of this approach during the 1990s involved state-initiated lawsuits against the tobacco industry and against Microsoft Corporation.

The group that has facilitated multistate legal action is the National Association of Attorneys General (NAAG), an organization that is composed of the chief legal counsels of the states (and territories). The willingness of a state to join with other states in collective legal action offers another window on cooperative relationships. Just as with interstate compacts, one can assume that a state (in this instance, as represented by the attorney general) unites with other states on issues of common interest such as consumer fraud. Further, one can assume that the joining states prefer working together to acting alone, at least on a specific issue.

Uniform State Laws

The existence of varying laws across states is often cited as a reason for congressional enactment of a national statute that preempts state laws and establishes a single, uniform law. An alternative to congressional preemption is for states themselves to adopt uniform statutes. Like multistate legal action, adoption of uniform state laws preserves state prerogative vis-à-vis the national government. This effort was formalized through the creation of the National Conference of Commissioners on Uniform State Laws (NCCUSL) in 1892. The NCCUSL is a nonprofit, professionally staffed organization funded by state appropriations. It is composed of attorneys, judges, and legal experts from each state who, after extensive negotiations and numerous iterations, draft uniform laws and model acts. Each state has the option of enacting the NCCUSL-written law and, therefore, conforming its law on a subject to the law of other enacting states. The state enactment process can be lengthy, however. For example, although forty-nine states had enacted the Uniform Commercial Code by 1965, it was not until 1991 that Louisiana followed suit (Zimmerman 2002).[2]

RESEARCH QUESTIONS AND METHODS

A series of questions drives the data collection and analysis reported here:

> Do states vary in their level of cooperative behavior? In other words, do meaningful categories of activity emerge, or are states clustered at high or low levels?
>
> Are there identifiable patterns in interstate behavior across the different cooperative mechanisms? Does a state specialize in one type of cooperation, or does it pursue (eschew) all three of them similarly?
>
> What characteristics seem to determine a state's willingness to cooperate?

2 Congress, too, encourages the adoption of uniform state laws by attaching conditions to federal grants-in-aid and by using crossover sanctions (Zimmerman 2002).

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The three kinds of cooperative interactions discussed above—interstate compacts, multistate legal action, and uniform laws—are the focus. A publication of the Council of State Governments, *Interstate Compacts and Agencies, 1998* (Voit and Nitting 1999), identifies state members of each compact. After eliminating border compacts (twenty-five), compacts to which only one state is a party (thirty-eight), and four compacts with special considerations (e.g., no states are listed as members or the compact is U.S. state–Canadian), 150 remained. The data in the publication were reaggregated with states as the unit of analysis rather than compacts, and a score was calculated for each of the fifty states reflecting a state's compact membership through 1998.

To determine the degree of interstate cooperation via legal channels, a search of the NAAG publication *AG Bulletin* from 1992 through 1999 was conducted. NAAG publishes *AG Bulletin* ten to twelve times annually, and its primary purpose is information dissemination, especially keeping members updated about pending legal actions. It is useful for this research because it reports and updates which states have joined multistate lawsuits.[3] Each available issue of *AG Bulletin* was searched, and instances of joint legal actions were noted.[4] Care was taken to insure that each observation represented a different, distinct case. In other words, no matter how many times the states' actions against the tobacco industry were updated in subsequent *Bulletins*, it remained one case. State scores reflect the number of times a state was a party to a multistate lawsuit during that period.

Data on uniform laws were gathered from the NCCUSL Web site, which provides information on the issues, negotiations, and iterative drafts of proposed laws.[5] For this research, a data set was created from the enactments finalized for possible state adoption during the 1990s. State scores represent the number of uniform laws enacted by a state during the decade. For all three of the indicators, states were grouped into subsets based on their scores, but in the subsequent multivariate analysis, actual state scores were used.

INTERSTATE COOPERATION: FINDINGS

The degree of formal interstate cooperation via interstate compacts is shown in table 1.[6] On average, a state belongs to 23.4 compacts. The range varies from fourteen in South Dakota and Wisconsin to thirty-two in Colorado, New Hampshire, and Vermont. Despite the trend toward multistate agreements, many of the compacts are bilateral: 60 of the 150

3 Despite extensive efforts, not all of the 1992–1999 issues of *AG Bulletin* could be located. It appears that a complete collection of the issues does not exist. NAAG's headquarters does not maintain a master file, and official state libraries do not archive the bulletins. The offices of the attorneys general in all fifty states were contacted in search of missing issues. That approach yielded several hard-to-find issues but not all of them. This analysis is based on seventy issues of *AG Bulletin* out of a total eighty-four published during the time period.

4 In a few instances, the actual interstate cooperative action was a resolution to Congress (e.g., encouraging the passage of employment nondiscrimination legislation) or the filing of comments with a federal agency (e.g., commenting on the Federal Communications Commission's proposed rules on telephone service "slamming"). These endeavors are certainly cooperative; however, they do not involve lawsuits, amicus briefs, or negotiated settlements. These nonlegal items account for less than 15 percent of the observations.

5 The URL for the NCCUSL Web site is http://www.nccusl.org.

6 The count excludes twenty-five boundary compacts. These agreements are very narrowly focused on borders; further, several of them are pre–twentieth century, such as the Virginia–North Carolina Boundary Agreement of 1791. It does not include thirty-eight nonboundary compacts to which a single state is a party, for example, the Compact for Pension Portability for Educators (only Rhode Island has signed). The rationale for excluding the single-state compacts is that (1) they are not in effect until additional states sign on and (2) until other states sign on, they do not represent instances of interstate cooperation. Another four compacts are not included: two compacts between New York and Canada (they are not interstate) and two compacts for which no states were listed.

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Table 1
State Use of Interstate Compacts

Low Score: <19 (n = 9)	Below Average: 19–21 (n = 8)	Average: 22–24 (n = 13)	Above Average: 25–28 (n = 11)	High Score: >28 (n = 9)
Alaska	Arizona	California	Alabama	Colorado
Hawaii	Delaware	Florida	Arkansas	Maine
Iowa	Kentucky	Georgia	Connecticut	Maryland
Michigan	Minnesota	Idaho	Kansas	New Hampshire
Nevada	Mississippi	Illinois	Missouri	New Jersey
North Dakota	Nebraska	Indiana	New York	New Mexico
South Carolina	North Carolina	Louisiana	Ohio	Pennsylvania
South Dakota	Tennessee	Massachusetts	Oklahoma	Vermont
Wisconsin		Montana	Utah	Virginia
		Oregon	Washington	
		Rhode Island	West Virginia	
		Texas		
		Wyoming		

Source: Data on state use of compacts were compiled from compact membership information in Voit and Nitting (1999).
Note: Groupings were created around the mean. Scores within one-quarter of a standard deviation on either side of the mean were considered average. Scores between one-quarter and a full standard deviation from the mean were deemed above (or below) average. The high and low categories reflect compact use one full standard deviation above or below the mean.

nonboundary, non-single-state signatory compacts are between pairs of states. There is evidence of regionalism as well. Years ago, Elazar (1984) singled out the New England region (Maine, New Hampshire, Vermont, Connecticut, Massachusetts, and Rhode Island) as an area especially prone to multistate compacting, calling it "a sectional confederation within the American federal system." That tendency remains distinct. The six states have joined together in many compacts, but in five specific compacts they are the only signatories. The substance of these compacts includes higher education, corrections, radiological health, law enforcement emergencies, and dairy production and pricing. In addition, there are several other compacts in which another state such as New York joins the six, as well as compacts in which one of the New England states opts out. In general, with three of the six New England states appearing in the "High" use category in table 1, the level of interstate cooperation in the region appears great.

Many of the extant compacts are nationwide in scope, that is, all states are eligible to participate. For example, the Drivers' License Compact sets up a process through which member states can exchange information about nonresident traffic law violators. As of 1998, forty-three states were members of the compact. Of the compacts currently in place, however, only two have all fifty states as members: the Interstate Compact on the Placement of Children and the Uniform Interstate Compact on Juveniles. Less than 10 percent of the compacts have a majority of states as members, suggesting that the interstate compact mechanism is lacking as an instrument of national policy; it is more appropriately considered a tool for more particular use.

Table 2 displays the level of cooperation for states as measured by their willingness to participate in multistate legal actions. The average state was a party to a multistate legal action on twenty-five occasions during the 1992–1999 period. The range extends from lows of seven joint legal actions in three states (Georgia, South Carolina, and Wyoming) to a high of fifty-one in Massachusetts. A core group of eleven states, many of them large

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Table 2
State Involvement in Joint Legal Action

Low Score: <9 (n = 9)	Below Average: 12–21 (n = 16)	Average: 22–28 (n = 8)	Above Average: 29–39 (n = 6)	High Score: >39 (n = 11)
Colorado	Alabama	Idaho	Iowa	Arizona
Delaware	Alaska	Maryland	Michigan	California
Georgia	Arkansas	Nevada	Missouri	Connecticut
Kentucky	Hawaii	North Carolina	New Mexico	Florida
Louisiana	Indiana	Ohio	Pennsylvania	Illinois
New Hampshire	Kansas	Oregon	Vermont	Massachusetts
South Carolina	Maine	Tennessee		Minnesota
Virginia	Mississippi	West Virginia		New York
Wyoming	Montana			Texas
	Nebraska			Washington
	New Jersey			Wisconsin
	North Dakota			
	Oklahoma			
	Rhode Island			
	South Dakota			
	Utah			

Source: Data on state involvement in joint legal actions were culled from the 1992–1999 issues of *AG Bulletin*, a publication of the National Association of Attorneys General.
Note: Groupings were created around the mean. Scores within one-quarter of a standard deviation on either side of the mean were considered average. Scores between one-quarter and a full standard deviation from the mean were deemed above (or below) average. The high and low categories reflect involvement in joint legal action one full standard deviation above or below the mean.

states, appears to have played leadership roles, given their high level of involvement. This form of interstate cooperation appears to have become more popular over time, with the number of multistate lawsuits increasing during the decade.

State adoption of uniform laws is presented in table 3. The NCCUSL finalized twenty-two new uniform laws during the 1990s. The average enactment rate across the states was 7.7, a figure boosted by the nearly universal adoption of three new articles to the Uniform Commercial Code. Scores ranged from four enactments in Georgia, Massachusetts, New York, and Wisconsin to a high of fourteen enactments in New Mexico. Given the limited range in adoption rates, states are grouped into three subsets in the table.

Looking across the tables suggests that states do indeed vary in their cooperative behavior. That is, states are dispersed at various points along a cooperation continuum. This finding holds regardless of the way in which cooperation is measured, although in multistate legal actions the distribution is somewhat more skewed, with half of the states listed in either the below-average or low categories. Thus, although the pace of interstate cooperation appears to have quickened over time, not all states have jumped on board. This leads to the second question: Are certain states consistent joiners or perennial nonparticipants? The data offer a resounding no in response. States are seldom persistently cooperative or uncooperative. Only one state is in the low category on the three measures (South Carolina), and no states fall in the high category on all three, although New Mexico and Vermont come close. Two states score in the average group in all three measures: Idaho and Oregon. More systematic analysis of the three cooperation measures confirms this conclusion. Interstate compacts are not correlated with multistate legal action (r = 0.01, n.s.); nor are they correlated with uniform laws (r = 0.03, n.s.). Multistate legal

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Table 3
State Enactment of Uniform Laws

Low Score: <6 (n = 10)	Average: 6–9 (n = 28)	High Score: >9 (n = 12)
Georgia	Alabama	Alaska
Louisiana	California	Arizona
Massachusetts	Delaware	Arkansas
Mississippi	Florida	Colorado
Missouri	Idaho	Connecticut
New Hampshire	Illinois	Hawaii
New York	Indiana	Minnesota
Pennsylvania	Iowa	Montana
South Carolina	Kansas	New Mexico
Wisconsin	Kentucky	North Dakota
	Maine	Vermont
	Maryland	West Virginia
	Michigan	
	Nebraska	
	Nevada	
	New Jersey	
	North Carolina	
	Ohio	
	Oklahoma	
	Oregon	
	Rhode Island	
	South Dakota	
	Tennessee	
	Texas	
	Utah	
	Virginia	
	Washington	
	Wyoming	

Source: Data on state enactment of uniform laws were gathered from the National Conference of Commissioners on Uniform State Laws Web site, http://www.nccusl.org (October 2003).
Note: Groupings were created around the mean. Because of the limited range of scores, three categories were created. Scores that were less that one full standard deviation above or below the mean were considered average. The high and low categories reflect enactment scores one full standard deviation above or below the mean, respectively.

action and uniform laws are uncorrelated as well ($r = -0.07$, n.s.). These findings suggest that each measure taps a different dimension of cooperation.

How can a state's propensity to cooperate (or not) with other states be explained? This is the third research question set out earlier. Because the decision to cooperate is a governmental one, a set of independent variables related to characteristics of state government was assembled. The partisanship of state executive and legislative branches is one such variable. Measured during the 1990–1992 biennium, *institutional partisanship* value ranges from –1.0 in states where the governor's office and both legislative chambers were controlled by Democrats to 1.0 when institutional control was in Republican hands. Values of –0.5 are assigned in cases of a Democratic majority (the governor and one legislative chamber), and 0.5 is given in cases of a Republican majority. The value of 0 is assigned when divided government occurred, that is, when the governor was a Democrat (Republican) and both legislative chambers were dominated by Republicans (Democrats).

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Table 4
Explaining Interstate Cooperation

Variables	Interstate Compacts B (Std. Error)	Multistate Legal Action B (Std. Error)	Uniform State Laws B (Std. Error)
Constant	23.548 (2.151)	23.696 (5.341)	7.362 (1.100)
Institutional Partisanship	−1.839 (1.123)	0.154 (2.788)	−0.098 (0.574)
Policy Liberalism	1.205 (0.820)	3.697* (2.037)	0.156 (0.419)
Government Capability	−0.152 (0.779)	5.591*** (1.935)	−0.919** (0.399)
Neighbor States	−0.042 (0.439)	0.445 (1.090)	0.044 (0.225)
Adjusted R^2	0.00	0.27	0.04

Note. B=unstandardized regression coefficient.
*$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

Another measure that gets at governmental ideology is the *policy liberalism* of a state. The composite index created by Klingman and Lammers (1984) is appropriate because it reflects state government actions across a range of substantive policy areas, over time. Both partisanship and policy liberalism capture what a state might want to do; a third independent variable, *government capability*, captures its ability to do so. Earlier research on different types of interstate compacts found that, among other things, gubernatorial power was positively related to bilateral compact membership (Nice 1987). The variable used here is the Bowman and Kearney (1988) measure of the capability of state government, a composite score based on seven indicators of the modernization of legislative and executive branches. The final variable is nongovernmental—it reflects the opportunity to cooperate. Previous research showed that proximity matters: states with less distance between their state capitals were more likely to join interstate compacts (Nice 1987). Because many interstate encounters involve neighbors, the number of states that share a border with a state may be an important determinant of interaction. (The variable is called *neighbor states.*) These four variables were included in an ordinary least squares regression model and tested against each of the cooperation measures.[7] The findings are presented in table 4.

In the first model of cooperation, interstate compacts, none of the variables produces a statistically significant relationship. The variable institutional partisanship is the closest to meaningful significance ($p < 0.11$), suggesting that states in which institutional control is in Democratic Party hands belong to more compacts than states led by Republicans. Yet a related variable, policy liberalism, does not affect a state's willingness to join interstate compacts. Most surprising is the failure of the neighbor states variable to explain compact membership. The model as a whole explains none of the variance in compact membership; thus clearly other forces are at work. With regard to multistate legal action, the best explanation comes from government capability ($p < 0.01$). States that score higher on the capability index pursue more joint legal action than less capable states do. Perhaps modernized legislatures and strengthened governors create an expectation of institutional proactivity that influences attorneys general. Another variable in the model that approaches conventional significance levels is policy liberalism ($p < 0.08$). States that have adopted more liberal policies are more likely to sign onto legal actions with other states. The enactment of uniform state laws appears to be a substantively different type of interstate

7 Of the four independent variables, policy liberalism and partisanship are positively correlated with each other, as are policy liberalism and government capability, but neither correlation exceeds $r = 0.41$.

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cooperation. The sole variable that achieves statistical significance is government capability ($p < 0.05$), but it is a negative relationship. States with lower government capability scores are the states that adopt more uniform state laws. On the face of it, the explanation seems straightforward: less capable state governments can reach more successful (and efficient) statutory solutions by adopting the NCCUSL's drafts.

In sum, the cooperative aspect of horizontal federalism is relatively unstable. The factors that explain a state's willingness to pursue multistate legal actions do not shed much light on a state's use of interstate compacts or adoption of uniform laws. In fact, government capability performs inversely: more capable states cooperate by engaging in multistate legal action, and less capable states cooperate by adopting uniform state laws.

THE IMPLICATIONS OF STATE-TO-STATE INTERACTION

These cooperative actions empower the states vis-à-vis the national government and generate what Krane (2002), quoting Elazar, called "federalism without Washington." States are cooperating with each other in myriad ways. But as the analysis here shows, not all states cooperate at the same rate or in the same way. And although the findings are far from definitive, it appears that the capability of the legislative and executive branches of government helps explain at least some aspects of interstate cooperation, although notably, not interstate compacts.

An alternative to interstate compacts that is growing in popularity among states is the informal administrative agreement. It can be negotiated more quickly and amended more easily because it does not require legislative action. These agreements do not supersede state statutes, and consequently, compared with interstate compacts, they are less binding on states. Informal administrative agreements may offer less durable solutions to joint problems; however, in a rapidly changing environment, durability may be less prized than speed and flexibility. If states can forge working arrangements with other states, the mechanism may not matter as much as the result. The difficulty for researchers intent on exploring interstate administrative agreements is "the lack of a central repository in any state" on written agreements, much less on verbal, "handshake" pacts (Zimmerman 2002, 164). Yet if interstate administrative agreements continue to increase and, in effect, define horizontal federalism, then data collection will be a high priority.

States are increasingly interconnected. Specialized networks span state lines in efforts to formulate and implement solutions to contemporary problems. An illustrative case in 2003 was the action of a dozen states to pool public and private information on their residents to create Matrix, the Multi-state Anti-terrorism Information Exchange, a terrorism-prevention database. One interesting twist in this arrangement is that a private sector vendor is storing and managing the data, raising issues of privacy safeguards. But although private firms offer a viable alternative to public production of a good or service, questions of accountability escalate in a multistate, private provider context.[8] As alluded to above, greater study of the administrative consequences of interstate interaction would expand the knowledge base in public administration in a meaningful way.

The implications of interstate interaction are important: the greater the number of states joining together, the greater the potential to solve major national problems. Skalaban (1993) contends that as federal systems mature, cross-jurisdictional collaboration

8 California dropped out of the Matrix project, in part because of concerns over privacy and accountability.

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increases. It is only a short leap, then, to begin to think of interstate accords as potential alternatives to federal legislation. Some state leaders have called for greater cooperation and coordination among states in the design of common policies—as a means to forestall federal preemption (Bowman 2002). But because self-interest is the impetus for state action, the likelihood of coordinated, collaborative action across the fifty states is always problematic. On a given issue, some states will join, but others will not. Competition is inherent in a federal structure; thus cooperation is limited to certain situations. The asymmetries mentioned earlier play a role as state clusters emerge, reconfigure, and evolve. For state officials, the expansion of the horizon—looking laterally, rather than vertically—presents both new opportunities for problem solving and new challenges for governance.

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